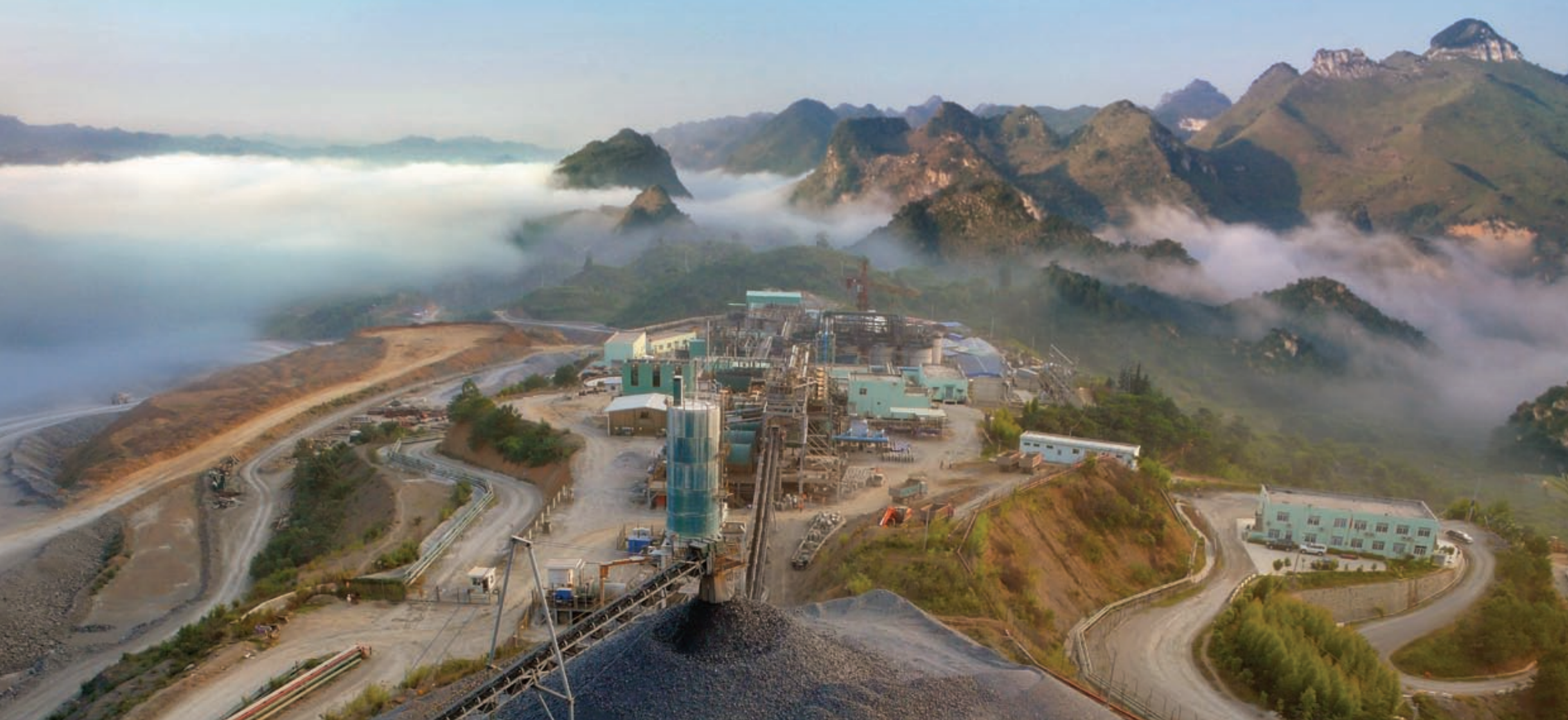
BALANCING OUR RESPONSIBILITIES

SINO gold

INTERIM REPORT 2009

(STOCK CODE: ASX:SGX, SEHK: 1862)



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Our Logo

People are the heart of our Company and therefore it is appropriate that the Chinese character for people '人' is at the centre of our logo. The colouring reflects the product we produce and sell.

The stars on the middle section represents the "Southern Cross" constellation which is visible in the night sky from Australia. This reflects the Company's relationship and link with Australia.

Summary of the Half-year Results

KEY POINTS — FINANCIAL

- **Record 108,715 ounces of gold sold**, including 21,291 ounces from the new White Mountain Mine.
- Gold sales realised A$1,287 (US$916) per ounce for the period.

Financial Highlights	1H 2009 A$ millions	1H 2008 A$ millions	Increase %
Gold sales revenue	**139.9**	92.9	51%
Mine operating earnings	**61.1**	31.9	92%
Profit before hedging and tax	**45.1**	22.1	104%
Profit before income tax	**26.3**	5.8	354%
Net profit/(loss) after tax	**15.3**	(1.6)	N/A
Underlying profit after tax	**22.2**	10.8	107%

- **Profit before hedging and tax increased 104% to A$45.1 million.**
- **Maiden statutory profit after tax of A$15.3 million** (1H08: A$1.6 million loss), including hedge amortisation charge of A$18.8 million and income tax expense of A$11.0 million.
- Operating activities **generated net cash of A$28.1** million for the period.
- Net assets totalled A$724.9 million at 30 June 2009, including **net available cash of A$122.5 million** (US$99.4 million).
- Net debt of only A$35.6 million and a **low gearing ratio of 4.7%** at end of period.

KEY POINTS — OPERATIONAL

- **Jinfeng's gold sales increased 24% to 87,424 ounces** (1H08: 70,532) at an average cash operating cost of US$380/ounce (1H08: US$416/ounce).
- **White Mountain commenced commercial gold production in January 2009** and sold 21,291 ounces at an average cash operating cost of US$469/ounce during the half-year period.
- Sino Gold's Board of Directors **approved the US$65 million development of Eastern Dragon** in April 2009.
- Sino Gold **continues to evaluate the potential of the Beyinhar Project** and a pilot-scale heap-leach trial is currently underway.

Chief Executive's Report

Sino Gold's half-year financial performance was strong with an underlying profit[1] of A$22.2 million and a maiden statutory profit after tax of A$15.3 million for the period.

During the first-half of 2009, Sino Gold's profitability continued to increase strongly as Jinfeng's gold production increased further and commercial production commenced at the new White Mountain Mine.

Sino Gold is well funded to further increase gold production from Sino Gold's existing projects, which will lead to further growth in the Company's profitability.

FINANCIAL RESULTS – REVIEW OF INCOME STATEMENT

Underlying profit after tax and minorities increased 107% to A$22.2 million (1H08: A$10.8 million). The increase was primarily driven by gold sales increasing 16% to 108,715 ounces (1H08: 93,874 ounces).

Gold sales revenue increased 51% to A$139.9 million (1H08: A$92.9 million), generated through the sale of 87,424 and 21,291 ounces from Jinfeng and White Mountain, respectively. In February 2009, the BioGold plant was sold to a local operator.

Gold Production and Sales by Project

Ounces	1H 2009		1H 2008		% Change	
	Production	Sales	Production	Sales	Production	Sales
Jinfeng	83,794	87,424	66,388	70,532	+26%	+24%
White Mountain	20,714	21,291	–	–	–	–
BioGold	–	–	23,342	23,342	–	–
Total	104,508	108,715	89,730	93,874	+16%	16%

Gold sales realised an average of A$1,287 (US$916) per ounce for the period. Total production costs averaged A$777 (US$553) per ounce for the period, providing a unit profit margin of A$510 (US$363) per ounce.

[1] Underlying profit: profit attributable to Sino Gold Mining, being group profit after tax adjusted for minority interest, amortisation of hedge close-out and non-recurring gains on sales of investments.

Mine Unit Costs for 1H09 (US$/ounce)	Jinfeng	White Mountain	Group Average
Cash operating cost	**380**	**469**	**397**
Royalties, production taxes & refining	43	34	41
Total cash cost	**422**	**504**	**439**
Depreciation, amortisation & rehab	110	134	115
Total production cost	**533**	**638**	**553**

Jinfeng and White Mountain contributed earnings before interest and tax of approximately A$45.1 million and A$9.5 million, respectively for the six-month period.

Administration and corporate costs totaled A$5.7 million for the period.

Share based payments totalling A$3.8 million for the period are non-cash charges relating to options issued to employees and directors of Sino Gold. The high volatility of Sino Gold's share price results in a relatively high value for these options, which are amortised over three years from the grant date.

Inclusive of the above charges, operating profit increased 104% to A$45.1 million (1H08: A$22.1 million).

The Group's results included non-recurring gains totaling A$5.8 million from:

- disposal of shares in Australian Solomons Gold Limited (A$4.4 million); and
- the sale of BioGold and the Greatland Joint Venture (A$1.4 million).

Offsetting those gains were net financing costs of A$5.5 million primarily related to interest expenses on bank loan facilities for Jinfeng and White Mountain.

No exploration costs were written off during the period.

AMORTISATION OF HEDGE CLOSE-OUT

In June 2008, Sino Gold completed the close-out of all of the Company's gold forward sales contracts and put options. Hedge accounting standards require that this cost is amortised and brought to account in accordance with the original hedge designation dates. The amortisation schedule is tabulated below:

Calendar Year	1H09	2H09	CY10	CY11	1H12
Non-cash hedging losses (US$ millions)	13.3	13.2	27.5	28.4	16.1

These losses will be amortised at the average A$/US$ exchange rate for each period. Based on the average A$/US$ rate of 0.712 for the first half of 2009, A$18.8 (US$13.3) million of this cost was amortised during the period and A$97.8 (US$85.2) million remained on the balance sheet as at 30 June 2009. These amortisation charges are considered unlikely to deliver tax benefits for the relevant reporting periods.

RECONCILIATION TO UNDERLYING PROFIT

Tabulated below is a reconciliation to underlying profits after adjusting for amortisation of hedge close-out costs and non-recurring gains.

	A$ millions
Net profit after tax	15.3
Add-back amortisation of hedge close-out*	15.4
Deduct non-recurring gains	(5.8)
Adjusted net profit after tax	24.9
Deduct relevant outside equity interests*	(2.7)
Underlying profit after tax and minorities	22.2

* Total hedge close-out charge of A$18.8 million is split into Sino Gold's 82% share (A$15.4 million) and the remaining 18% (A$3.4 million) is included in outside equity interests.

The underlying profit of A$22.2 million is reported by Sino Gold in order to provide a greater understanding of the underlying business performance of its operations.

FINANCIAL RESULTS — REVIEW OF STATEMENT OF CASH FLOWS

Operating activities generated net cash of A$28.1 million for the six-month period.

Investing activities consumed net cash of A$52.3 million, primarily comprising:

- Net proceeds received (A$22.0 million) for the sale of BioGold, Australian Solomons Gold Limited, as well as equity interests in the Nibao and Greatland joint ventures;
- Jinfeng (A$32.9 million) underground development, capitalised open-pit waste mining costs, tailings dam lifts and general sustaining capex;
- White Mountain (A$9.1 million) underground development, backfill plant and tailings dam; and
- An installment payment (A$17.2 million) to increase Sino Gold's equity in Eastern Dragon Lode 5 to 95%.

Financing activities primarily related to the re-financing of the Jinfeng Project Loan and Standby L/C Loan with a new loan facility (RMB 680 million) provided by China Construction Bank. Repayments of loans totalled A$152.6 million and proceeds from the new loan totalled A$141.2 million.

A key benefit of repaying the Jinfeng Standby L/C Loan was that the restricted cash (US$58 million) held as collateral was released for Sino Gold to use for general corporate purposes.

The total cash balance decreased by A$47.1 million during the period, partly due to a negative A$13.1 million foreign exchange movement. However, the release of restricted cash during the period resulted in cash available for use increasing to A$122.5 million from A$70.5 million at the beginning of 2009.

Total cash balance at the end of June was A$184.1 million, of which only A$61.6 million was restricted.

Chief Executive's Report

FINANCIAL RESULTS — REVIEW OF BALANCE SHEET

Sino Gold's Balance Sheet is very strong with net assets of A$724.9 million, including available cash of A$122.5 million. The Company has net debt of only A$35.6 million and a low gearing (net debt/(net debt plus equity)) ratio of 4.7%.

The A$ appreciated rapidly against the US$ during the period, from an A$/US$ exchange rate of 0.693 at 31 December 2008 to 0.811 at 30 June 2009. The average A$/US$ exchange rate for the period was 0.712.

This appreciation of the A$ resulted in a substantial reduction in many Balance Sheet carrying values during the period and the foreign currency translation reserve decreased by A$109.7 million during the period.

In accordance with accounting standards, the Balance Sheet does not include the full value of the Company's Mineral Resources and Ore Reserves.

OUTLOOK

Sino Gold's strategy is to continue to grow its portfolio of quality assets and capitalise on its leading position in China's growing gold industry.

At Jinfeng, ore production from the underground mine is planned to increasingly supplement ore from the open-pit mine. Ore processed is planned to increase further as the plant continues to be de-bottlenecked.

At White Mountain, blocking of road access by a small group of farmers has necessitated the suspension of operations since 10 August 2009. Sino Gold is working with the relevant authorities to resolve the situation and remains optimistic that operations will resume shortly. The ramp-up of ore mined from the underground mine is planned to enable gold production to reach the design rate of 65,000 ounces per annum by the December 2009 Quarter.

The guidance for combined 2009 gold production from the Jinfeng and White Mountain Mines remains in the range of 210,000 to 230,000 ounces of gold at a cash operating cost of less than US$400/ounce. The guidance assumes that White Mountain is able to restart gold production reasonably soon.

Sino Gold's Board of Directors approved the US$65 million development of Eastern Dragon in April 2009. Commencement of construction is dependent on receipt of the Project Permit, which is anticipated to be received shortly. Eastern Dragon is expected to produce an average of 90,000 ounces per annum over the first five years of production at an average cash operating cost of approximately US$125 per ounce (net of silver credits).

Sino Gold continues to evaluate the potential of the Beyinhar Project to be developed into an open-pit, heap-leach gold operation. A pilot-scale heap-leach trial is currently underway.

The Company's approach is to develop gold mines in a manner which provides long-term benefits to all stakeholders and optimises the returns from the gold resources. Sino Gold's management of safety, the environment and community relationships continues at very high standards and we recognize that our continuing performance in these areas is crucial to our long-term success in China.

The gold price outlook remains strong and Sino Gold's shareholders will fully benefit from an increasing gold price as the Company is completely unhedged.

The coming months promise to be very eventful and I recommend regularly visiting www.sinogold.com.au to keep up-to-date with the Company's progress.

Thank you for your ongoing and continued support.

Jake Klein
Chief Executive Officer

Directors' Report

This half-year report covers the consolidated entity comprising Sino Gold Mining Limited and its subsidiaries ("the Group" or "Sino Gold"). The functional currency of Sino Gold Mining Limited and its Australian subsidiaries is United States dollars ("US$"). The functional currency of the overseas subsidiaries is Renminbi Yuan ("RMB"). The financial report is presented in Australian dollars ("A$").

A description of the Group's operations and of its principal activities is included in the review and results of operations in the Directors' Report. The Directors' Report is unaudited and does not form part of the financial statements.

DIRECTORS

The names of the company directors in office during the half-year and to the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

James Askew, Chairman

Jacob Klein, President and CEO

Hanjing Xu, Executive Director

Brian Davidson, Independent Non-executive Director

Peter Cassidy, Independent Non-executive Director

Liangang Li, Independent Non-executive Director

Peter Housden, Independent Non-executive Director

Thomas McKeith, Non-Executive Director (Resigned on 4 June 2009)

REVIEW AND RESULTS OF OPERATIONS

Financial Results

Sales revenues in the first half of 2009 were A$139.9 million which was generated by the sale of 87,424 and 21,291 ounces of gold at Jinfeng gold mine and White Mountain gold mine, respectively. Costs of sales were A$78.8 million, including depreciation and amortisation of A$17.1 million. Mine operating earnings were A$61.1 million, which generated a profit before hedging and tax of A$45.1 million.

The Group's results included a non-recurring gain of A$4.4 million from the disposal of Australian Solomons Gold Ltd (ASG) shares and a combined gain of A$1.4 million on the sale of the Greatland Joint Venture and BioGold. Net interest/borrowing costs of A$5.5 million related to interest expenses on bank loan facilities for Jinfeng and White Mountain. In addition, an expense related to share based payments relating to the notional cost of the grant of options to employees and directors of A$3.8 million was recognised in the period. The period to period comparison in the financial statements has been impacted by the divestiture of BioGold.

	Group Half Year to 30 June 2009 A$'000
Financial Results	
Mine operating earnings	61,074
Other operating expenses	(6,500)
Non-cash share based payment	(3,766)
Corporate costs	(5,676)
Operating profit before other income (expenses)	**45,132**
Other income	6,504
Gain on fair value of vested share options — derivatives	1
Finance costs	(6,559)
Profit before hedging and tax	**45,078**
Amortisation of hedge close-out	(18,763)
Profit before income tax	**26,315**
Income tax expense	(11,025)
Profit	**15,290**

Directors' Report

In compliance with the new requirements under AASB 101 Presentation of Financial Statements (effective 1 January 2009), a "Statement of Comprehensive Income" is presented in these Financial Statements to provide details of transactions previously disclosed in the "Statement of Changes in Equity" which represent income and loss transactions recorded directly in equity. The major item affecting the Statement of Comprehensive Income is foreign currency translation. The Group's functional currencies are the US Dollar and RMB, but the company reports in Australian Dollars. The movement in the US$/RMB/A$ exchange rates during the period has generated an adverse change in A$ asset value of A$109.7 million.

Net cash flow from operating activities was A$28.1 million for the six-month period. In addition, cash inflow resulted from the proceeds of the sale of Nibao, BioGold, Greatland, and ASG, totaling A$22.0 million. Cash used for investments amounted to A$52.3 million primarily for the development and sustaining capital expenditures at Jinfeng and White Mountain; plus an installment payment of A$17.2 million to acquire the additional ownership in Eastern Dragon.

During the period, a significant portion of the company's debt was refinanced. China Construction Bank (CCB) loan proceeds of A$141.2 million, together with some available cash, was used to repay loans totaling A$152.6 million and to make net interest payments of A$3.9 million. The total cash balance, including the effects of foreign exchange, decreased by A$47.1 million during the period. In spite of this net decrease, cash available for use increased from A$70.5 million at the beginning of 2009 to A$122.5 million. This resulted from the release of restricted cash deposits used to secure Renminbi loan facilities decreasing from A$160.7 million to A$61.6 million during the period as part of the loan restructuring. Total cash balance at the end of June was A$184.1 million, of which A$61.6 million was restricted.

Total assets at the end of June 2009 totaled A$1,075.5 million. Net assets were A$724.9 million, yielding a book value of net assets per share of approximately A$2.47. As previously noted the functional currency of Sino Gold Mining Limited and its Australian subsidiaries is United States dollars ("US$") and the functional currency of the overseas subsidiaries is Renminbi Yuan ("RMB"). As the reporting currency in these financial statements is Australian dollars the net assets reported in Australian dollars reflect a decrease of A$109.7 million as a result of the appreciation of the A$. If the presentation currency was USD, the net assets would have increased by US$14.8 million from the 31 December 2008 balance. It is noted that in accordance with Accounting Standards, the net assets value excludes the full value of the Company's ore reserves.

Jinfeng (82% Equity)

The Jinfeng Gold Mine is located in Guizhou Province in southern China.

Jinfeng's gold production continued to increase and totalled 83,794 ounces for the half year, a 26% increase compared to the previous corresponding period. A total of 722,380 tonnes were milled during the period at an average head grade of 4.4g/t gold with overall gold recoveries achieving 82.6%.

Unit cash operating costs continued to decrease and averaged US$380/ounce for the half year. A total of 87,424 ounces were sold during the period at an average realised price of US$914/ounce.

Excellent productivity by the open-pit mining contractor enabled mining of 5.2 million m^3 of waste material and 722,380 tonnes of ore during the half year.

Development of the underground mine continued and the backfill plant has been successfully commissioned. Ore production from the underground mine is ramping up and totalled 70,450 tonnes for the period.

Run-of-mine ore stockpiles totalled 517,000 tonnes at 30 June 2009.

White Mountain (95% Equity)

The White Mountain Gold Mine is located in Jilin Province in northeast China.

White Mountain achieved commercial gold production ahead of schedule on 1 January 2009 and gold production for the period totaled 20,715 ounces at a cash operating cost of US$469/ounce.

Commissioning of the processing plant and ramp-up of gold production has proceeded well. A total of 218,735 tonnes were milled during the period at an average head grade of 3.7g/t gold with overall gold recoveries achieving 79.2%.

A total of 21,291 ounces were sold during the period at an average realised price of US$922/ounce.

Development of the underground mine is continuing and ore was mined in the central and southern portions of the orebody. Ore production is planned to ramp-up to the planned rate of 650,000 tonnes per annum by the December 2009 quarter.

Eastern Dragon (95% Equity)

Eastern Dragon is a high-grade, gold-silver deposit in northern China's Heilongjiang Province that has potential to produce gold at very low costs.

During the period, Sino Gold increased its interest in Eastern Dragon Lode 5 to 95% by acquiring a further 15% interest for US$20 million.

Sino Gold also entered into an agreement to acquire a further 35% interest in the surrounding 53km^2 Exploration License (EL53) for US$11 million to bring the interest to 60%. The agreement is subject to the licence being transferred into the name of the joint-venture company.

A Chinese Feasibility Study completed in early 2009 indicates that Eastern Dragon is potentially a simple combined open-pit and underground mining operation with a carbon-in-leach ("CIL") processing plant. Metallurgical testwork indicates that approximately 95% of the gold and 80% of the silver should be recoverable.

Sino Gold's Board of Directors approved the US$65 million development of Eastern Dragon in April 2009. Commencement of construction is dependent on receipt of the Project Permit, which is anticipated to be received during the September 2009 quarter.

The operation is expected to produce an average of 90,000 ounces per annum over the first five years of production at an average cash operating cost of approximately US$125 per ounce (net of silver credits).

Sino Gold is working towards bringing Eastern Dragon into production as quickly as possible.

Beyinhar

During 2009, Sino Gold has continued to evaluate the potential of the Beyinhar Project in Inner Mongolia to be developed into an open-pit, heap-leach gold operation.

A Board Feasibility Review ("BFR") undertaken during 2008 concluded that Beyinhar is an attractive investment proposition. The Beyinhar BFR envisaged a project producing approximately 60,000 ounces per annum at an average cash operating cost of US$450/ounce.

A heap-leach trial is being undertaken that is aimed at increasing confidence in estimated gold grades and recoveries. The results of this pilot-scale trial are planned to be available in late 2009.

Securing the various permits required for operation continues during 2009, as well an exploration program aimed at discovering additional oxide resources near the current Beyinhar resource.

Directors' Report

Issued Capital

During the half-year the only issues of ordinary shares related to the exercise of unlisted options. A total of 575,925 ordinary shares were issued, details of which are as follows:

	No. of Shares Issued	Price Per Share
	340,000	A$1.84
	75,000	A$3.13
	150,000	A$1.90
	5,925	CAD3.07
	5,000	CAD3.83
Total	**575,925**	

The Company has not redeemed any of its shares during the half-year ended 30 June 2009. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

At 30 June 2009 Sino Gold had 292,387,552 ordinary shares and 12,535,159 unlisted options on issue.

Interests in Shares and Options of the Company and Related Bodies Corporate

As at the date of this report, the interests of the directors in the shares and options of Sino Gold Mining Limited are:

	Ordinary Shares	ESIS Shares	Employee Options	ESIS loans* $
J Askew	140,000	–	35,000	–
J Klein	1,559,800	1,650,000	2,237,500	758,232
H Xu	376,666	600,000	1,426,250	275,723
B Davidson	266,725	–	20,000	–
P Cassidy	125,675	–	20,000	–
L Li	–	–	–	–
P Housden	11,333	–	140,000	–
Total	2,480,199	2,250,000	3,878,750	1,033,955

* Loans outstanding pursuant to the terms of the Employee Share Incentive Scheme ("ESIS").

As at the date of this report, the names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

Name	Ordinary Shares
Eldorado Gold Corporation	57,968,029
BlackRock Group	18,197,593
JP Morgan Chase & Co	14,957,933

Corporate Governance

Throughout the half-year ended 30 June 2009 the Company has complied with the provisions of the Code on Corporate Governance Practices as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("SEHK").

During the half-year ended 30 June 2009 the Company has, in respect of the Model Code set out in Appendix 10 of the SEHK Listing Rules:

(a) adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code; and

(b) there has been no instance of non-compliance with, the required standard set out in the Model Code and its code of conduct regarding directors' securities transactions.

Audit Committee

The Group's half-year report for the six months ended 30 June 2009 has been reviewed by the audit committee. The audit committee notes the ongoing interpretation under International Financial Reporting Standards which deems certain share options to be derivative liabilities rather than equity and the resultant impact of this on the balance sheet and income statement of the Company are highlighted in the financial results.

Rounding

The amounts contained in this report have been rounded off under the option available to the company under ASIC Class Order 98/100. The company is an entity to which the Class Order applies.

Auditor Independence Declaration

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Auditor Independence Declaration to the Directors of Sino Gold Mining Limited

In relation to our review of the financial report of Sino Gold Mining Limited for the half-year ended 30 June 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Paul Flynn
Partner
25 August 2009

Signed in accordance with a resolution of the directors.

J. Askew – Chairman

J. Klein – CEO

Sydney
25 August 2009

Income Statement

For the Half-Year Ended 30 June 2009

	Notes	Group Half-Year to 30 June 2009 A$'000	Group Half-Year to 30 June 2008 A$'000
Revenue from sale of gold	3(a)	**139,887**	92,906
Other operating revenue	3(a)	**-**	7,274
Operating costs	3(b)	**(61,702)**	(61,825)
Depreciation and amortisation	3(b)	**(17,111)**	(6,502)
Mine operating earnings		**61,074**	31,853
Depreciation and amortisation	3(c)	**(151)**	(195)
Employee benefits	3(c)	**(2,632)**	(1,698)
Share based payment	3(c)	**(3,766)**	(3,227)
Other corporate costs	3(c)	**(2,893)**	(2,155)
Other operating expenses	3(d)	**(6,500)**	(3,343)
Operating profit before other income/(expense)		**45,132**	21,235
Other income/(expense):			
Other income	3(e)	**6,504**	4,818
Gain on fair value of vested share options — derivative	3(g)	**1**	1,296
Finance costs	3(f)	**(6,559)**	(4,072)
Deferred exploration costs written off		**-**	(1,128)
Profit before hedging and tax		**45,078**	22,149
Hedging loss — pre-close-out	3(h)	**-**	(11,045)
Amortisation of hedge close-out	3(h)	**(18,763)**	(5,310)
Profit before income tax		**26,315**	5,794
Income tax expense		**(11,025)**	(7,443)
Net profit/(loss) after tax for the period		**15,290**	(1,649)
Profit/(loss) attributable to:			
Outside equity interests		**2,680**	1,012
Members of the parent		**12,610**	(2,661)
Basic profit/(loss) per share (cents per share)		**4.32**	(0.91)
Diluted profit/(loss) loss per share (cents per share)		**4.30**	(0.91)

Statement of Comprehensive Income*

For the Half-Year Ended 30 June 2009

	Notes	Group Half-Year to 30 June 2009 A$'000	Group Half-Year to 30 June 2008 A$'000
Net profit/(loss) after tax for the period		**15,290**	(1,649)
Other comprehensive income/(loss)			
Foreign currency translation**		**(109,704)**	(36,705)
Effective hedging closure income/(loss)		**18,763**	(6,371)
Loss on available-for-sale financial assets		**-**	(4,759)
Income tax benefit on items of other comprehensive income		**-**	-
Other comprehensive loss for the period, net of tax		**(90,941)**	(47,835)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(75,651)**	(49,484)
Total comprehensive income/(loss) attributable to:			
Outside equity interests		**2,680**	1,012
Members of the parent		**(78,331)**	(50,496)

* See the note concerning this statement in the Directors' Report on page 5.

** The group's functional currency is USD, but this report is presented in AUD. The loss represents the translation of USD into AUD reporting currency based on the rule that equity items are translated at historical rate, whereas assets and liabilities are translated at financial statement's closing date rate. The AUD has appreciated against the USD from 0.6928 at 31 December 2008 to 0.8114 at 30 June 2009. The loss was unrealised.

Balance Sheet

As at 30 June 2009

	Notes	Group As at 30 June 2009 A$'000	Group As at 31 December 2008 A$'000
CURRENT ASSETS			
Cash and cash equivalents		**122,461**	70,537
Restricted cash		**61,622**	160,652
Trade and other receivables		**4,623**	5,684
Inventories		**29,798**	40,371
Other		**26,008**	22,594
TOTAL CURRENT ASSETS		**244,512**	299,838
NON-CURRENT ASSETS			
Receivables		**7,300**	4,488
Property, plant and equipment	4	**517,381**	582,768
Deferred tax assets		**2,453**	280
Deferred exploration, evaluation and development costs	5	**303,825**	364,776
TOTAL NON-CURRENT ASSETS		**830,959**	952,313
TOTAL ASSETS		**1,075,471**	1,252,151
CURRENT LIABILITIES			
Trade and other payables	6	**79,773**	114,952
Provisions		**937**	1,163
Interest bearing liabilities	7	**65,095**	181,338
Tax payable		**9,400**	10,014
Derivatives	8	**1,828**	1,829
TOTAL CURRENT LIABILITIES		**157,033**	309,296
NON-CURRENT LIABILITIES			
Interest bearing liabilities	7	**154,586**	71,775
Provisions		**29,429**	33,738
Deferred tax liabilities		**9,509**	10,783
TOTAL NON-CURRENT LIABILITIES		**193,524**	116,296
TOTAL LIABILITIES		**350,557**	425,592
NET ASSETS		**724,914**	826,559
EQUITY			
Issued capital	9	**858,814**	857,284
Accumulated losses		**(179,017)**	(191,627)
Hedge reserve		**(97,753)**	(116,516)
Other reserves		**110,534**	216,156
Total parent entity interest in equity		**692,578**	765,297
Outside equity interests		**32,336**	61,262
TOTAL EQUITY		**724,914**	826,559

Statement of Cash Flows

For the Half-Year Ended 30 June 2009

	Notes	Group Half-year to 30 June 2009 A$'000	Group Half-year to 30 June 2008 A$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**134,618**	100,108
Payments to suppliers, employees and others		**(94,804)**	(76,994)
Income tax paid		**(7,895)**	-
Interest received		**2,716**	1,305
Interest paid		**(6,583)**	(4,349)
Other		**-**	(633)
NET CASH FLOWS FROM OPERATING ACTIVITIES		**28,052**	19,437
CASH FLOWS USED IN INVESTING ACTIVITIES			
Proceeds from sale of investment		**21,992**	-
Payment for property, plant and equipment		**(42,212)**	(25,469)
Payments for exploration, evaluation and development		**(14,929)**	(37,513)
Payment for Eastern Dragon		**(17,153)**	(66,264)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(52,301)**	(129,246)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Proceeds from repayment of employee loans		**10**	22
Repayment of loans		**(152,584)**	(16,613)
Proceeds from share issues		**1,545**	311,076
Share issue costs		**-**	(4,200)
Proceeds from bank loan		**141,208**	56,159
Hedging costs pre-close-out		**-**	(11,045)
Hedging close-out cost		**-**	(124,519)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		**(9,821)**	210,880
NET INCREASE/(DECREASE) IN CASH HELD		**(34,071)**	101,071
Cash and cash equivalents (including restricted cash) at beginning of period		**231,189**	108,953
Effects of exchange rate changes on cash		**(13,035)**	(12,642)
CASH AND CASH EQUIVALENTS (INCLUDING RESTRICTED CASH) AT END OF PERIOD		**184,083**	197,382
Cash and cash equivalent		**122,461**	81,342
Restricted cash		**61,622**	116,040
CASH AND CASH EQUIVALENTS (INCLUDING RESTRICTED CASH) AT END OF PERIOD		**184,083**	197,382

Statement of Changes in Equity

For the Half-Year Ended 30 June 2009

Half Year Ended 30 June 2009

CONSOLIDATED	Note	Issued capital A$'000	Accumulated losses A$'000	Hedge reserve A$'000	Other reserves A$'000	Total for parent A$'000	Outside equity interests A$'000	Total equity A$'000
At 1 January 2009 (pre adjustment)		**857,284**	**(191,627)**	**(116,516)**	**219,922**	**769,063**	**51,193**	**820,256**
Restatement of outside equity interest*		-	-	-	(10,069)	(10,069)	10,069	-
Restatement of other reserve*		-	-	-	6,303	6,303	-	6,303
At 1 January 2009		**857,284**	**(191,627)**	**(116,516)**	**216,156**	**765,297**	**61,262**	**826,559**
Total comprehensive income for the period		-	12,610	18,763	(109,704)	(78,331)	2,680	(75,651)
Exercise of options		1,530	-	-	-	1,530	-	1,530
Cost of share based payments		-	-	-	3,766	3,766	-	3,766
Acquisition of outside equity interest — Eastern Dragon	10	-	-	-	316	316	(30,346)	(30,030)
Divestment of subsidiary		-	-	-	-	-	(1,260)	(1,260)
At 30 June 2009		**858,814**	**(179,017)**	**(97,753)**	**110,534**	**692,578**	**32,336**	**724,914**
At 1 January 2008		**527,970**	**(87,802)**	**(121,548)**	**6,566**	**325,186**	**61,846**	**387,032**
Total comprehensive income for the period		-	(2,661)	2,174	(52,388)	(52,875)	3,391	(49,484)
Allotment of new shares		328,313	-	-	-	328,313	-	328,313
Exercise of options		1,396	-	-	-	1,396	-	1,396
Share issue costs		(4,200)	-	-	-	(4,200)	-	(4,200)
Cost of share based payments		-	-	-	3,227	3,227	-	3,227
Acquisition of outside equity interest — Eastern Dragon		-	-	-	(249)	(249)	(11,178)	(11,427)
Acquisition of outside equity interest — Golden China		3,262	-	-	-	3,262	(3,262)	-
Recognition of outside equity interest share of net assets		-	-	-	(1,374)	(1,374)	1,374	-
At 30 June 2008		**856,741**	**(90,463)**	**(119,374)**	**(44,218)**	**602,686**	**52,171**	**654,857**

* Please refer to note 1(a)

Notes to the Half-Year Financial Statements

30 June 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Corporate information

The financial report of Sino Gold Mining Limited (the Company) for the half-year ended 30 June 2009 was authorised on 25 August 2009 for issue in accordance with a resolution of the directors. Sino Gold Mining Limited is a company incorporated in Australia and limited by shares, which are publicly traded on the Australian Securities Exchange and the Main Board of The Stock Exchange of Hong Kong Limited.

Summary of significant accounting policies

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the annual financial report of Sino Gold Mining Limited as at 31 December 2008.

It is also recommended that the half-year financial report be considered together with any public announcements made by Sino Gold Mining Limited and its controlled entities during the half-year ended 30 June 2009 in accordance with the continuous disclosure obligations under the Corporations Act 2001.

(a) Basis of preparation

The financial report is a general-purpose condensed financial report, which has been prepared in accordance with AASB134 Interim Financial Reporting and the requirements of the Corporations Act 2001. The financial report has been prepared in accordance with the historical cost convention except for investment in listed shares and derivative financial instruments that have been measured at fair value.

The financial report is presented in Australian dollars and all values rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available to the company under ASIC class order 98/100. The company is an entity to which the class order applies.

Adjustments to previously published financial statements

A restatements was made to the equity balances as at 31 December 2008 from A$820.3 million to A$826.6 million. This restatement increased the Foreign Currency Translation Reserve account by A$6.3 million as a result of converting the mineral interest and goodwill account from RMB to USD. The adjustment increased the Deferred Exploration, Evaluation and Development Costs account by the same amount.

At 31 December 2008, A$10.1 million in relation to the foreign exchange impact to the Eastern Dragon outside equity interest was allocated to the parent instead of the outside equity interest. This was transferred out of the parent into the outside equity interest account (increase of A$10.1 million).

Financial statement reclassification

The company has reclassified the comparative income statement to conform with the current year presentation to better align with current operations of the Company. The specific adjustments are summarised below:

Cost of Sales — The name of account is changed to "Operating Costs". "Operating costs" ($61.8m) and "Depreciation and amortisation" ($6.5 million) were included as part of "Cost of Sales". Currently, they are classified as separate items above the subtotal of "Mine operating earnings".

Corporate Expenses — The name of account is changed to "Other Corporate Costs". Previously disclosed in 2008, this account included "Depreciation and amortisation" ($0.2 million), "Employee benefits" ($1.7 million), "Share-based payments expense" ($3.2 million), "Administration costs" ($3.7 million). In 2009, with the exception of "Administration costs", other items are disclosed separately.

Other operating expenses — In 2008, this account included "Deferred exploration costs written off" ($1.1 million), "Rehabilitation costs" ($1.3 million), "Royalties paid" ($2.4 million) and "Resource tax" ($0.4 million). "Deferred exploration costs written off" is presented as a separate item in 2009.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax expenses — In 2008, the infrastructure fund contribution expense of $1.5 million was included in "Corporate expenses". This item has been re-classified as income tax expense as it was deemed as such given the nature of the expense.

(b) Significant accounting policies

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 31 December 2008, with the exception of the policies explained below.

(c) Change in accounting policy

From 1 January 2009 the Company has adopted the following Standards for annual periods beginning on or after 1 January 2009. Adoption of these standards did not have any effect on the financial position or performance of the Company. However the adoption of AASB 8 has caused the Company to revise its segment reporting. See note 2 for details of the reportable segments and applicable accounting policies.

- AASB 8 *Operating Segments*
- AASB 101 *Revised Presentation of Financial Statements*
- AASB 123 *Revised Borrowing Costs*

The Company has not elected to early adopt any new standards or amendments.

2. SEGMENT INFORMATION

Identification of reportable segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the chief executive officer and the executive committee (the chief operating decision makers or CODM) in assessing performance and in determining the allocation of resources.

The Company operates entirely in the gold mining industry and derives all revenue from the sale of gold. The operating segments are identified by management based on each production mine and the stages of the remaining mines, being construction and exploration. Financial information about each of these operating businesses is reported to the chief executive officer and the executive committee on at least a monthly basis. The reportable segments are based on aggregated operating segments determined by the stage of the mine.

Corporate office activities and divested operations are not allocated to operating segments and form part of the reconciliation to net profit after tax.

Stages of mines

Jinfeng

Jinfeng engages in gold mining, processing of ore and selling of gold bullion.

White Mountain

White Mountain engages in gold mining, processing of ore and selling of gold bullion.

Construction Mines

This segment covers mines under construction (currently Eastern Dragon) to become operating mines.

Exploration Areas

This segment covers areas in which exploration and evaluation activities are being completed by the Company.

Accounting policies and inter-segment transactions

The accounting policies used by the Company in reporting segments are the same as those contained in note 1 to the accounts and in the prior period. The following items are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Corporate costs
- Gain/(loss) on fair value of vested share options — derivatives
- Amortisation of hedge close-out

Some items are determined at group level and are included in the segment profit presented to the CODM in a period different from the period presented in the financial statements:

- Impairment losses
- Deferred exploration costs written-off
- Income tax (estimate of permanent differences in current tax)

Notes to the Half-Year Financial Statements

30 June 2009

2. SEGMENT INFORMATION (CONTINUED)

The following table presents revenue and profit information for reportable segments for the half-years ended 30 June 2009 and 30 June 2008:

	Jinfeng A$'000	White Mountain A$'000	Construction Mines A$'000	Exploration Areas A$'000	Total A$'000
Segment Results					
Half-year ended 30 June 2009					
Segment revenue	**112,299**	**27,588**	**-**	**-**	**139,887**
Segment net profit after tax	**32,208**	**5,770**	**-**	**-**	**37,978**
Reconciliation of segment net profit after tax to net profit after tax					
Corporate costs					**(3,562)**
Gain on fair value of vested share options — derivative					**1**
Deferred exploration costs written-off					**–**
Amortisation of hedge close-out					**(18,763)**
Income tax expense					**(364)**
Net profit after tax					**15,290**
Half-year ended 30 June 2008					
Segment revenue	69,720	-	-	-	69,720
Segment net profit after tax	19,675	-	-	-	19,675
Reconciliation of segment net profit after tax to net profit after tax					
Corporate costs					(6,139)
Gain on fair value of vested share options — derivative					1,296
Deferred exploration costs written-off					(1,128)
Hedging loss — pre-close-out					(11,045)
Amortisation of hedge close-out					(5,310)
Operating results of divested operation					1,001
Net loss after tax					(1,649)

	Jinfeng A$'000	White Mountain A$'000	Construction Mines A$'000	Exploration Areas A$'000	Total A$'000
Segment assets for the half-year ended 30 June are as follows:					
Segment assets at 30 June 2009					
Cash	**26,273**	**20,081**	**5,112**	**9,167**	**60,633**
Inventory	**26,077**	**3,721**	**-**	**-**	**29,798**
Property, plant & equipment	**403,219**	**113,632**	**-**	**-**	**516,850**
Deferred exploration and development costs	**-**	**-**	**180,270**	**123,555**	**303,825**
Segment assets at 30 June 2008					
Cash	910	9,847	2,893	5,263	18,912
Inventory	17,355	-	-	-	17,355
Property, plant & equipment	308,336	-	-	-	308,336
Deferred exploration and development costs	-	48,830	162,491	124,046	335,367

	CONSOLIDATED	
	Half-year to 30 June 2009 A$'000	Half-year to 30 June 2008 A$'000
3. INCOME AND EXPENSES		
(a) Revenue from ordinary activities		
Revenue from sale of gold	**139,887**	92,906
Other operating revenue*	**-**	7,274
	139,887	100,180

* Other operating revenue relates to silver and other BioGold by-product sales

(b) Cost of sales		
Operating costs	**61,702**	61,826
Depreciation and amortisation	**17,111**	6,502
	78,813	68,328
(c) Corporate expenses		
Depreciation and amortisation	**151**	195
Employee benefits	**2,632**	1,698
Share-based payment expense	**3,766**	3,227
Administration costs	**2,893**	2,155
	9,442	7,275
(d) Other operating expenses		
Rehabilitation amortisation	**952**	583
Royalties expense	**3,666**	2,409
Resource tax	**1,649**	351
Other operating expenses	**233**	-
	6,500	3,343
(e) Other income		
Interest revenue	**1,044**	1,321
Gain on sale of investments*	**5,767**	-
Sundry income	**33**	395
Foreign exchange gain/(loss)	**(340)**	3,102
	6,504	4,818

* During the period, all shares in Australian Solomons Gold Limited (ASG) were sold for a profit of A$4.4 million. Three subsidiaries, Michelago (Hong Kong) Limited, Sino Gold Greatland Limited and Golden China Nibao Gold Corporation were divested and resulted in an aggregated gain on sale of A$1.4 million.

(f) Finance costs		
Interest paid and charged*	**4,076**	2,908
Rehabilitation unwinding expense	**1,049**	701
Other borrowing costs	**1,434**	463
	6,559	4,072

* Under the Jinfeng Standby L/C facility RMB lending is secured by cash held on deposit that earns interest by the parent entity. This interest income is, on consolidation, netted against the interest paid on the RMB lending in relation to Jinfeng.

(g) Gain on fair value of vested share options - derivatives		
Gain on fair value of vested share options — derivatives*	**1**	1,296

* Gain on fair value movement of vested seed options.

(h) Hedging loss		
Hedging loss — pre-close-out	**-**	11,045
Amortisation of hedge close-out	**18,763**	5,310
	18,763	16,355

Notes to the Half-Year Financial Statements

30 June 2009

	CONSOLIDATED	
	As at 30 June 2009 A$'000	As at 31 December 2008 A$'000
4. PROPERTY, PLANT & EQUIPMENT		
Plant, equipment and leasehold		
Opening book value	**582,768**	304,862
Transfer from deferred exploration & development costs	**-**	122,478
Additions	**38,365**	127,610
Disposals	**(2,203)**	(32,625)
Depreciation for period	**(18,214)**	(14,352)
Impairment	**-**	(13,585)
Foreign exchange adjustment	**(83,335)**	88,380
Net book value	**517,381**	582,768

	CONSOLIDATED	
	As at 30 June 2009 A$'000	As at 31 December 2008 A$'000
5. DEFERRED EXPLORATION, EVALUATION AND DEVELOPMENT COSTS		
Opening balance	**364,776**	311,011
Transferred to production	**-**	(122,478)
Additions	**18,845**	140,746
Acquisition of subsidiary		
— Golden China Resources Corporation	**-**	8,393
— Acquisition of Eastern Dragon asset	**-**	15,878
Divestment of subsidiaries	**(26,478)**	-
Exploration write-off	**-**	(9,144)
Impairment loss	**-**	(64,385)
Net foreign currency movements arising from self-sustaining foreign operations	**(53,318)**	84,756
Net book value	**303,825**	364,776

	CONSOLIDATED As at 30 June 2009 A$'000	As at 31 December 2008 A$'000
6. PAYABLE — CURRENT		
Trade creditors*	**9,789**	21,572
Trade accruals	**7,417**	25,183
BioGold short-term loan	**-**	17,799
Royalty to Chinese partner	**7,413**	7,266
Retention accrual	**1,650**	2,953
Deferred exploration costs accrual	**8,220**	3,829
Construction costs accrual	**18,850**	25,446
Sundry creditors & accruals	**26,434**	10,904
	79,773	114,952
* Aged Trade Creditors		
Less than 30 days	**6,466**	11,208
30 days to 60 days	**907**	3,597
60 days to 90 days	**2,083**	1,639
Greater than 90 days	**333**	5,128
	9,789	21,572

	CONSOLIDATED As at 30 June 2009 A$'000	As at 31 December 2008 A$'000
7. INTEREST BEARING LIABILITIES		
Current		
Jinfeng Project Loan (a)	**-**	11,836
Jinfeng Standby L/C Loan	**-**	78,432
White Mountain Project Loan (b)	**7,377**	8,644
Eastern Dragon Standby L/C Loan (c)	**57,718**	67,632
BioGold short-term loan	**-**	14,794
Total current	**65,095**	181,338
Non-current		
Jinfeng Project Loan (a)		
Principal	**122,650**	31,767
Un-amortised borrowing costs	**(2,352)**	(1,013)
Total of Jinfeng non-current	**120,298**	30,754
BioGold long-term loan	**-**	843
White Mountain Project Loan	**34,288**	40,178
Total non-current	**154,586**	71,775
	219,681	253,113

Notes to the Half-Year Financial Statements

30 June 2009

7. INTEREST BEARING LIABILITIES (CONTINUED)

(a) Jinfeng Project Loan — this financing facility was refinanced in the first half year of 2009. The previous Senior Loan has been fully repaid. Currently, the Jinfeng project loan is arranged and underwritten by China Construction Bank (CCB) for RMB680 million. CCB sold 50% of the facility to China Merchants Bank (CMB) through indirect bank syndicate. The use of the loan is to replace the Senior Loan of US$30.2 million (balance at the end of February 2009), to replace the Standby L/C loan of RMB323 million (secured by Standby L/C US$58.0 million) and to repay a shareholder loan of US$21.4 million. Since the Standby L/C loan was fully repaid, the restricted cash of US$58 million was released accordingly.

The facility is secured against the following:

- Sino Gold Mining Limited (SGML) corporate guarantee;
- Pledge of 82% shares held by Sino Mining Guizhou Pty Ltd, a 100% subsidiary of SGML;
- Fixed assets (value above US$0.1 million) mortgage;
- Mining license and exploration license mortgage; and
- Land use right mortgage.

The terms of the facility include:

- 5% discount on People's Bank of China (PBOC) standard rate, which is currently 5.94% (i.e annual rate of 5.64% with the discount);
- 2% once off management fee;
- The interest is adjusted annually in accordance with the then current PBOC rate; and
- Repayable in twenty equal quarterly instalments of RMB 34 million (A$6.13 million) each, with the first instalment due 31 March 2011 and the last one due 31 December 2015.

7. INTEREST BEARING LIABILITIES (CONTINUED)

(b) White Mountain Project Loan consists of two portions: a construction loan and a working capital loan.

This facility is secured by:

- Sino Gold Mining Limited (SGML) corporate guarantee; and
- The project's fixed assets (value above US$0.1 million).

Major terms for construction loan:

- Principal: RMB190.1 million;
- Term: 5 years;
- Interest: adjusted annually to the then current PBOC rate; and
- Repayment: bullet repayment at the end of the term.

Major terms for working capital loan:

- Principal: RMB40.9 million;
- Term: 12 months; and
- Interest: adjusted twice a year in accordance with the then current PBOC rate.

	RMB'000	**A$'000**	**Maturity**	**Annual interest rate**
Working Capital Loan	40,900	7,377	31/8/2009	5.31%
Construction Loan	190,100	34,288	31/8/2013	6.37%
	231,000	**41,665**		

(c) Eastern Dragon Standby L/C loan — The Company has secured a standby cash collaterised L/C facility issued by its bankers to secure advances made by China Construction Bank, Heilongjiang Branch to the Eastern Dragon Project. The interest rate for this loan is currently 5.4%. Restricted cash held on deposit as security for this facility at 30 June 2009 was US$50.0 million (A$61.6 million).

Notes to the Half-Year Financial Statements

30 June 2009

	CONSOLIDATED	
	As at 30 June 2009 A$'000	As at 31 December 2008 A$'000
8. DERIVATIVE LIABILITIES		
— Current		
Fair value of non-employee vested share options*	**1,828**	1,829

* Relates to options granted to seed investors that are denominated in Australian dollars and to warrants and options issued as part consideration for the acquisition cost of Golden China Resources. These are treated as derivatives in accordance with the accounting policy. Movement in their value along with any foreign exchange impact is recognised as a gain or loss. During the period, there were no options excised. The remaining balance of 250,000 options will mature in 2010 and 777,770 will mature in 2012. The fair value of options granted have been valued using the Black Scholes pricing model which takes account into factors such as the option exercise price, the current level and volatility of the underlying share price and the time to maturity of the option. Assumptions used at 30 June 2009 are: volatility 44%, risk free interest rate 3.46% and expected life of options 1.21 years and 3.2 years respectively.

	CONSOLIDATED	
	As at 30 June 2009 A$'000	As at 31 December 2008 A$'000
9. ISSUED CAPITAL		
(a) Issued and paid up capital		
— Ordinary shares fully paid (no par value)	**858,814**	857,284
	858,814	857,284

(b) Movements in ordinary shares on issue

	Half-year to 30 June 2009 Number of shares ('000)	(A$'000)
Beginning of financial year	**291,812**	857,284
Shares issued upon the exercise of options	**576**	1,530
Closing balance	**292,388**	858,814

10. ACQUISITION FROM OUTSIDE EQUITY

During the period, Sino Gold increased its interest in Eastern Dragon Lode 5 to 95% by acquiring a further 15% interest for US$20.0 million, of which US$12.0 million (A$17.2 million) was paid in April 2009 and US$8.0 million (A$9.9 million) was accrued at the reporting date.

11. CONTINGENT LIABILITIES

In December 2008, the Jinfeng joint venture company ("JVC") received a notice from the Ministry of Land and Resources ("Ministry") advising that the Ministry concluded that the JVC should not receive an exemption from payment of the Resource Compensation Fee ("RCF"). An exemption from the RCF had been part of the conditions for the JVC when Jinfeng was approved as an "encouraged" project in January 2005. The JVC has received legal advice that its qualification for the exemption is strong and has sought a formal review of the Ministry's notice. The Ministry's review process has been underway over the past few months. The JVC has received a notice from the Ministry advising that the review process has been adjourned in order to allow the Ministry additional time to investigate the issues. During the adjournment, the JVC does not anticipate any change in the status quo, although the ultimate outcome of the review process remains uncertain.

12. DIVIDENDS PAID AND PROPOSED

No dividends have been paid or proposed for the half-year to 30 June 2009.

13. SUBSEQUENT EVENTS

On 11 August 2009, the Company announced the temporary suspension of operations at White Mountain due to the blockage of road access to the mine site by a small group of villagers residing approximately 3.5 kms from the mine site. This small group of villagers has been demanding compensation for alleged pollution of the water in a nearby creek.

Extensive testing of the water in the creek at the White Mountain Mine, by independent experts and relevant offices of the Environmental Protection Bureau, has confirmed that the claims of the small group of villagers are without foundation. The Company believes that it is not appropriate to pay compensation under these circumstances, particularly as it may encourage other groups to pursue similar unsubstantiated claims.

The Company has taken a non-confrontational and patient approach in dealing with the villagers in an effort to create more harmonious relations with the villagers in the vicinity. The Company is working closely with local government officials, the Ministry of Environmental Protection and other relevant bodies to develop a solution that addresses the concerns of all stakeholders.

14. CAPITAL EXPENDITURE COMMITMENT

Sino Gold's Board of Directors approved the US$65 million development of Eastern Dragon in April 2009. Commencement of construction is dependent on receipt of the Project Permit, which is anticipated to be received during the September 2009 quarter. At 30 June 2009, the commitment on the purchase of equipment is $5.5 million.

Directors' Declaration

In accordance with a resolution of the directors of the company, we state that:

In the opinion of the directors:

(a) The financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the financial position as at 30 June 2009 and the performance for the half — year ended on that date of the consolidated entity

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*

(b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the board

J. Askew – Chairman

J. Klein – CEO

Sydney
25 August 2009

Independent Auditor's Report

For the Half-Year Ended 30 June 2009

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To the members of Sino Gold Mining Limited

REPORT ON THE CONDENSED HALF-YEAR FINANCIAL REPORT

We have reviewed the accompanying half-year financial report of Sino Gold Mining Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entitles it controlled at the half-year end or for time to time during the half-year.

DIRECTORS' RESPONSIBILITY FOR THE HALF-YEAR FINANCIAL REPORT

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*. As the auditor of Sino Gold Mining Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independent Auditor's Report

For the Half-Year Ended 30 June 2009

INDEPENDENCE

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

CONCLUSION

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Sino Gold Mining Limited is not in accordance with the *Corporations Act 2001*, including:

i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2009 and of its performance for the half-year ended on that date; and

ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Paul Flynn
Partner

Sydney
25 August 2009

Corporate Information

Directors
James Askew – Chairman
Jacob Klein – President and CEO
Xu Hanjing – Executive Director
Peter Cassidy – Independent Non-Executive Director
Brian Davidson – Independent Non-Executive Director
Peter Housden – Independent Non-Executive Director
Liangang Li – Non-Executive Director

Audit Committee
Brian Davidson
Peter Housden
Peter Cassidy

Remuneration and Nomination Committee
Brian Davidson
James Askew
Peter Cassidy

Risk Management Committee
Peter Cassidy
Brian Davidson
James Askew

Company Secretary
Australia – Ivo Polovineo
Hong Kong – Jane Chan Yuen Bik

Authorised Representative
Australia – Ivo Polovineo
Hong Kong – Dennis Chi Ho Ng

Registered Office
Australia (Principal Place of Business)
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44 Market Street, Sydney NSW 2000
Australia
Hong Kong
Sino Gold Mining Limited
31st Floor, Gloucester Tower
The Landmark, Central
Hong Kong

Auditors
Ernst & Young
680 George Street, Sydney NSW 2000
Australia

Solicitors
Allens Arthur Robinson
Level 28, Deutsche Bank Place
Corner of Hunter & Philip Streets
Sydney NSW 2000
Australia

Share Registry
Registries Limited
Level 2
28 Margaret Street, Sydney NSW 2000
Australia

Computershare Hong Kong
Investor Special Services Limited
Shops 1712–1716, 17th Floor, Hopewell Centre
183 Queen's Road East, Wanchai
Hong Kong

Stock Exchange Codes
Australian Stock Exchange: SGX
Hong Kong Stock Exchange: 1862

Web Site
www.sinogold.com.au

NOTES

In this report the words 'Sino Gold', 'the Group' or 'the Company' are used to refer to Sino Gold Limited and/or its related bodies corporate and 'Gold Fields' is used to refer to Gold Fields Limited and/or its related bodies corporate. All currency is expressed in Australian dollars unless otherwise indicated. All weights expressed in ounces are troy ounces.

The information contained in this report has been prepared using the information available to Sino Gold at the time of preparation. This report contains forward-looking statements that were based on expectations, estimates and projections as of the date of this report. Any forward-looking statement is subject to known and unknown factors which may cause actual results and developments to materially differ from those expressed by, or implied by the forward-looking statements in this report.

The information in this report which related to Exploration Results, Mineral Resources or Ore Reserves of Sino Gold is based on information compiled by Dr Yumin Qiu, Member of the Australian Institute of Geoscientists, who is a full-time employee of the company in the capacity of General Manager, China Exploration and JVC. Dr Qiu has sufficient experience in relation to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined by the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (The JORC Code 2004 Edition). Dr Qiu has consented to inclusion of the information in the form and context in which it appeared.

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